			Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	1990
2	The WELL Budget 1990	Title													
3	2/22/90 14:33	Last recalc date													
4	C. Figallo/M. Wilens	Author													
6	**Model Parameters**														
7	25.00%	Annual growth in paying users													
8	35.00%	Percent actives to paying users													
9	25.00%	Annual growth in variable costs													
10	70.00%	Proportion of monthly revenue which is credit card													
11	10.61%	Payroll taxes as percentage of payroll expense													
12	9.00%	Annual interest earned on cash in the bank													
13	$17,000.00	Amount expected for tax refund from adjustment of earnings.													
14	$118,459.50	Amount subtracted from cumulative earnings for VAX lease payments made by NETI													
15	$2,500.00	Monthly payment on NETI advance – # of months?													
16	$817.69	Monthly payment on Sequent note													
17	13%	Sequent Note rate													
18	$817.69	Sequent loan payment amount													
19	6%	nterest on cash in the bank													
20	34.00%	Corporate tax rate													
21	60	AR (days) ?													
22	30.00	AP (days)													
23	$8.00	Monthly Fee													
24	$3.00	Hourly Fee													
25	$5.00	Packet Fees													
26	$0.50	Leased line fee													
27	$0.10	Disk storage													
28	1.85%	Discount													

	Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	1990
29 **Income Statement**													
30 Revenue													
31 Paying Users	2973	3029	3087	3145	3204	3265	3327	3390	3454	3519	3585	3653	
32 Active Users	1041	1060	1080	1101	1122	1143	1164	1186	1209	1232	1255	1279	
33 Average Active Hours/User	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	
34 Packet Users	535	545	556	566	577	588	599	610	622	633	645	658	
35 Packet hour usage	1,739.29	1,772.17	1,805.66	1,839.79	1,874.56	1,909.99	1,946.09	1,982.87	2,020.34	2,058.53	2,097.43	2,137.08	
36 Leased line usage	1,337.92	1,514.67	1,543.30	1,572.47	1,602.19	1,632.47	1,663.32	1,694.76	1,726.79	1,759.43	1,792.68	1,826.56	
38 Monthly fees @ 8	23,785	24,235	24,693	25,159	25,635	26,119	26,613	27,116	27,629	28,151	28,683	29,225	317,043
39 Hourly fees @ 3	14,048	14,314	14,584	14,860	15,141	15,427	15,718	16,015	16,318	16,627	16,941	17,261	187,254
40 Packet fees @ 5.	8,696	8,861	9,028	9,199	9,373	9,550	9,730	9,914	10,102	10,293	10,487	10,685	115,919
41 Leased line fees 0.50	669	757	772	786	801	816	832	847	863	880	896	913	9,833
42 Disk storage 0.1	297	303	309	314	320	326	333	339	345	352	359	365	3,963
43 Discounts 1.85%	260	265	270	275	280	285	291	296	302	308	313	319	3,464
44 Total Revenue	47,756	48,734	49,655	50,594	51,550	52,524	53,517	54,529	55,559	56,609	57,679	58,769	637,476

? ?

19,000 Bad debts 3%.

GROWTH RATE OF NEW USERS → IN

DECAY RATE OF USERS LOST → OUT

	Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	1990
46 EXPENSES													
47 Personnel													
48 Director	3,850	4,042	4,042	4,042	4,042	4,042	4,042	4,042	4,042	4,042	4,042	4,042	48,317
49 System Admin	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,150	3,150	3,150	36,250
50 Customer Support	2,800	2,800	2,800	2,800	2,800	2,940	2,940	2,940	2,940	2,940	2,940	2,940	34,580
51 Marketing Director	3,000	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	37,650
52 Accounts Manager	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,940	2,940	2,940	34,020
53 Admin. Asst.	1,000	1,000	1,000	1,200	1,200	1,200	1,400	1,400	1,400	1,600	1,600	1,600	15,600
54 Bookkeeper	300	300	300	500	500	500	500	500	500	500	500	500	5,400
55 Payroll Taxes	1,756	1,814	1,814	1,856	1,856	1,871	1,892	1,892	1,892	1,944	1,944	1,944	22,474
56 Benefits — where from?	866	866	866	866	866	866	866	866	866	866	866	866	10,388
	19,172	19,772	19,772	20,214	20,214	20,369	20,590	20,590	20,590	21,132	21,132	21,132	244,679
58 Computer Operations													
59 Computer Space Rent	50	50	450	450	450	450	450	450	450	450	450	450	4,600
60 Electricity	265	270	275	280	286	291	297	302	308	314	320	326	3,533
61 Hardware	50	50	1,000	50	50	50	50	50	50	50	50	50	1,550
62 Software	50	50	50	50	50	50	50	50	50	50	50	50	600
63 Modems			800				1,500					1,500	3,800
64 Maintenance & Repair	800	800	1,800	800	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,800
65 Packet Services	8,696	8,851	9,028	9,199	9,373	9,550	9,730	9,914	10,102	10,293	10,487	10,685	115,919
66 Phone Services	1,175	1,197	1,220	1,243	1,267	1,291	1,315	1,340	1,366	1,392	1,418	1,445	15,667
67 Contract Programming	500	500	2,500	500	500	500	500	500	500	500	500	500	8,000
	11,586	11,718	17,123	12,572	13,175	13,382	15,092	13,807	14,025	14,248	14,475	16,206	167,470
69 Sales/Marketing													
70 Travel & entertainment DRIVE BY REVENUE	20	20	20	120	120	120	120	120	120	120	120	120	1,140
71 Promotional materials	88	330	3,330	311	311	326	326	326	3,326	326	326	326	9,652
72 Advertising	400	400	450										1,250
73 Network subscriptions	145	75	75	75	75	75	75	75	75	75	75	75	970
74 Telephone				100	100	100	100	100	100	100	100	100	900
75 Complimentary WELL time	72	104	104	104	104	104	104	104	104	104	104	104	1,216
	725	929	3,979	710	710	725	725	725	3,725	725	725	725	15,128
77 Office													
78 Office Rent	1,440	1,440	1,440	1,440	1,440	1,440	1,540	1,540	1,540	1,540	1,540	1,540	17,880
79 Utilities	100	102	104	106	108	110	112	114	116	118	121	100	1,311
80 Postage	200	203	207	210	214	218	221	225	229	233	237	241	2,638
81 Computer Hardware	30	30	30	30	30	30	30	30	30	30	30	30	360
82 Computer Software	200					200							400
83 Phones	200	204	208	212	216	220	224	228	233	237	241	246	2,667
84 Office Supplies	300	306	312	317	323	330	336	342	349	355	362	369	4,001
85 Temp Labor	150	153	156	159	162	165	168	171	174	178	181	185	2,001
86 Repairs & Maintenance	50	51	52	53	54	55	56	57	58	59	60	62	667
87 Communications	20	20	21	21	22	22	22	23	23	24	24	25	267
	2,690	2,509	2,528	2,548	2,568	2,789	2,709	2,731	2,752	2,774	2,797	2,796	32,191
89 Customer Support													
90 Support Materials	700	713	727	741	755	769	784	799	814	829	845	861	9,336
91 Postage	120	122	125	127	129	132	134	137	140	142	145	148	1,600
92 Labor	40	40	40	40	40	40	40	40	40	40	40	40	480
93 Complimentary WELL Time	150	153	155	158	160	163	166	169	172	175	178	181	1,978
94 Training			50	50	50	50	50	50	50	50	50	50	500
	1,010	1,028	1,097	1,115	1,135	1,154	1,174	1,194	1,215	1,236	1,257	1,279	13,894

	Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	1990
96 General & Administrative													
97 Insurance	250	250	250	250	300	300	300	300	300	325	325	325	3,475
98 Depreciation	2,136	2,136	2,136	2,500	2,500	2,567	2,567	2,567	2,630	2,630	2,630	2,630	29,629
99 Bad Debts	1,433	1,462	1,490	1,518	1,547	1,576	1,606	1,636	1,667	1,698	1,730	1,753	19,124
100 Outside Professional Services			1,000			1,000				1,000			3,000
101 Bank Fees	969	989	1,008	1,027	1,046	1,066	1,086	1,107	1,128	1,149	1,171	1,193	12,941
102 Miscellaneous	50	51	52	53	54	55	56	57	58	59	60	62	667
103 Non-taxable Donations	25	25	25	25	25	25	25	25	25	25	25	25	300
104 Board-related Expenses	800			800			800			800			3,200
	5,663	4,913	5,961	6,173	5,472	6,589	6,440	5,692	5,808	7,687	5,942	5,998	72,336
107 Total Expenses	40,846	40,929	50,459	43,333	43,274	45,007	46,731	44,739	48,115	47,802	46,328	48,137	545,698
109 Earnings Before Interest & Taxes	6,910	7,805	(804)	7,261	8,276	7,517	6,786	9,790	7,444	8,807	11,351	10,633	91,778
111 Interest Income (Expense)													
112 Interest rec'd from cash in bank	59	169	193	30	22	53	62	98	108	151	175	218	1,338
113 Sequent loan interest paid	(244)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(1,958)
	(185)	14	37	(125)	(134)	(103)	(94)	(58)	(48)	(5)	19	62	(620)
116 Earnings Before Taxes	7,095	7,792	(841)	7,387	8,410	7,621	6,880	9,848	7,492	8,812	11,333	10,571	92,398
118 Corporate taxes													
119 Earnings	7,095	7,792	(841)	7,387	8,410	7,621	6,880	9,848	7,492	8,812	11,333	10,571	92,398
121 **Capital Budget**													
122 Sequent expansion			21,100					3,600					24,700
123 Modems			6,000										6,000
124 Office equipment			3,000			4,000							7,000
125 Other			7,500										7,500
			37,600			4,000		3,600					45,200

After April, do you want to pay off Sequent loan?

DRIVE BALANCE SHEET OFF INCOME STATEMENT,
DRIVE CASH FLOW FROM BALANCE SHEET

	Jan-90	Feb-90	Mar-90	Apr-90	May-90	Jun-90	Jul-90	Aug-90	Sep-90	Oct-90	Nov-90	Dec-90	1990
127 **BALANCE SHEET**													
128 **Short Term Assets**				small									
129 Cash in bank	33,867	38,553	6,099	4,387	10,502	12,449	19,623	21,618	30,194	34,941	43,505	53,558	
130 Accounts receivable	28,654	29,241	29,793	30,356	30,930	31,515	32,110	32,717	33,335	33,966	34,607	35,262	
131 Credit card vouchers	33,429	34,114	34,759	35,416	36,085	36,767	37,462	38,170	38,891	39,626	40,375	41,138	
132 Other													
	95,950	101,907	70,651	70,159	77,517	80,731	89,195	92,505	102,420	108,533	118,488	129,958	
134 **Long Term Assets**													
135 P & E	133,913	133,913	171,513	171,513	171,513	175,513	175,513	179,113	179,113	179,113	179,113	179,113	
136 Accumulated depreciation	(41,717)	(43,853)	(45,989)	(48,489)	(50,989)	(53,556)	(56,123)	(58,690)	(61,320)	(63,950)	(66,580)	(69,210)	
	92,196	90,060	125,524	123,024	120,524	121,957	119,390	120,423	117,793	115,163	112,533	109,903	
	188,146	191,967	196,175	193,183	198,040	202,687	208,585	212,927	220,213	223,695	231,021	239,860	
142 **Short Term Liabilities**													
143 Prepaid usage	2,810	2,545	2,275	2,000	1,720	1,435	1,144	848	546	238	(75)	(394)	
144 Accounts payable	17,705	17,103	25,584	18,600	18,489	18,948	21,396	19,349	22,607	20,695	20,163	21,913	
145 Sequent loan (current period) ✓	7,543	6,881	6,219	5,557	4,895	4,233	3,572	2,910	2,248	1,586	924	262	
146 NETI loan (current period) ✓	27,500	25,000	22,500	20,000	17,500	15,000	12,500	10,000	7,500	5,000	2,500		
147 Payroll taxes payable	1,756	1,814	1,814	1,856	1,856	1,871	1,892	1,892	1,892	1,944	1,944	1,944	
148 Corporate taxes payable													
	57,313	53,343	58,391	48,013	44,460	41,487	40,504	34,999	34,793	29,463	25,456	23,725	
150 **Long Term Liabilities**													
151 NETI advance	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	
152 Sequent loan	14,383	14,383	14,383	14,383	14,383	14,383	14,383	14,383	14,383	14,383	14,383	14,383	
	76,883	76,883	76,883	76,883	76,883	76,883	76,883	76,883	76,883	76,883	76,883	76,883	
154 **Stockholders Equity**													
155 Common Stockholders	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	(43,533)	
156 Retained earnings	90,387	90,387	90,387	90,387	90,387	90,387	90,387	90,387	90,387	90,387	90,387	90,387	
157 Current Period Earnings	7,095	14,887	14,046	21,432	29,843	37,463	44,343	54,191	61,683	70,495	81,827	92,398	
	53,949	61,741	60,900	68,286	76,697	84,317	91,197	101,045	108,537	117,349	128,681	139,252	
	188,146	191,967	196,175	193,183	198,040	202,687	208,585	212,927	220,213	223,695	231,021	239,860	
162 **CASH FLOW ANALYSIS**													
163 **Net Earnings**	7,095	7,792	(841)	7,387	8,410	7,621	6,880	9,848	7,492	8,812	11,393	10,571	92,398
164 **Sub: Non-Income Cash Uses**													
165 New plant and equipment			(37,600)			(4,000)		(3,600)					(45,200)
166 **Add: Non-Cash Expenses**													
167 Depreciation	2,136	2,136	2,136	2,500	2,500	2,567	2,567	2,567	2,630	2,630	2,630	2,630	29,629
168 **Add: Increases in Liabilities**													
169 Short Term	34,783	(3,971)	5,049	(10,378)	(3,553)	(2,974)	(983)	(5,505)	(206)	(5,330)	(4,007)	(1,731)	1,194
170 Long Term	(35,617)												(35,617)
171 **Sub: Increases in Non-Cash Assets**													
172 Accounts receivable	13,673	(587)	(553)	(563)	(574)	(585)	(596)	(607)	(618)	(630)	(642)	(654)	7,065
173 Credit card vouchers	0	(685)	(645)	(657)	(669)	(682)	(695)	(708)	(721)	(735)	(749)	(763)	(7,709)
175 **Net Cash Flow**	22,070	4,685	(32,453)	(1,712)	6,115	1,947	7,174	1,995	8,576	4,747	8,564	10,053	41,761

biggest.